

SUPPORT FOR DEVELOPMENT OF A GOVERNMENT PROCUREMENT SYSTEM

(TC-99-10-05-7-PR)

EXECUTIVE SUMMARY

Executing agency:	Bureau of State Reform (SNRE), under the Office of the President of the Republic of Paraguay
Beneficiaries:	The direct beneficiaries of and participants in the proposed program will be private-sector suppliers of goods, works, and services, who will enjoy a more transparent, effective, and predictable procurement system will enable it to increase its business opportunities, and public-sector agencies, which will improve their administration of government procurement through the introduction of cost-effective, efficient, standard mechanisms and criteria for all government procurement.
Objectives:	<p>The general objective of the proposed program is to help develop and implement a national government procurement system that will reduce public spending, strengthen the legal security of government procurement, and ensure efficiency, transparency, open competition, and due process in government procurement.</p> <p>Its specific objectives are to: (i) modernize, standardize, and supplement the regulatory framework governing government procurement in Paraguay, so as to increase and improve business opportunities for the private sector as a supplier of public-sector goods, works, and services; (ii) strengthen the institutional capacity of the government agencies involved in procuring goods and services, including works; and (iii) increase the degree of citizen participation and improve internal and external oversight of public administration through the introduction of a public information system on government procurement.</p>
Description:	The proposed program will comprise two components. The first component, development and implementation of a regulatory framework for public-sector procurement, will consist of the following activities: drafting of a procurement bill and its regulations; creation and operation of a technical and regulatory entity for government procurement; and development and adoption of standard documents for prequalification, bidding, proposals, and contracts, that will be used uniformly by public-sector institutions. The second

component, institutional strengthening of the government procurement system, will include the following activities: design and operation of a training program in government procurement; creation of public information system on government procurement; and the strategic dissemination of information on regulations and how the procurement system works, and generation of user feedback.

Financing:	Modality:	Grant	
	IDB/MIF	US\$1,260,000	(70%)
	Local counterpart:	US\$ 540,000	(30%)
	Total:	US\$1,800,000	
Terms:	Execution period:	30 months	
	Disbursement period:	36 months	
Environmental and social review:	The program was considered by the Committee on Environment and Social Impact (CESI) on 6 October 2000, and its suggestions and recommendations were incorporated into the project design.		
Exceptions to Bank policy:	None.		
Special contractual clauses:	<p>Prior to the first disbursement of Bank resources, the SNRE must submit to the satisfaction of the Bank: (i) evidence that the executing unit has been set up in the SNRE structure (paragraph 4.10); (ii) evidence that the staff of the executing unit have been hired (paragraph 4.10); and (iii) plan of action for the program (paragraph 5.2).</p> <p>As a condition precedent to initiation of the activities for the second component of the program (institutional strengthening of the government procurement system), the executing agency must demonstrate that it has completed all activities called for under the first component (development and implementation of a regulatory framework for public-sector procurement) to the satisfaction of the Bank (paragraph 4.13).</p>		